

**THE REGULAR MEETING
OF THE
BOARD OF DIRECTORS
TRABUCO CANYON WATER DISTRICT
SEPTEMBER 21, 2011**

The Regular Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD) was called to order by President Mike Safranski at 7:00 p.m. at Trabuco Canyon Water District's office located at 32003 Dove Canyon Drive, Trabuco Canyon, California. Teresa Teichman, Secretary to the Board of Directors, recorded and transcribed the minutes thereof.

DIRECTORS PRESENT

Mike Safranski, President
Ed Mandich, Vice President
Glenn Acosta, Director
Jim Haselton, Director

STAFF PRESENT

Don Chadd, General Manager
Hector Ruiz, District Engineer
Teresa Teichman, Secretary to the Board of Directors
Michael Perea, Special Projects Manager
Karen Warner, Accounting Supervisor

PUBLIC PRESENT

There were no members of the public present.

PLEDGE OF ALLEGIANCE

Mr. David Paulson, former TCWD employee, led the Board and staff in the pledge of allegiance.

SPECIAL PRESENTATION

Recognize Mr. David Paulson for his service at TCWD

Mr. Don Chadd, General Manager, commented on Mr. Paulson's accomplishments during his time at TCWD. Mr. Chadd shared information relating to David's performance within

1 TCWD's Water Department and commended David's decision making during times of
2 emergency repair. Mr. Chadd presented information relating to David's rapid advancement in
3 earning Operator Certifications within his area of responsibility.

4 President Safranski presented Mr. Paulson with a Certificate of Recognition along with a
5 Gift Certificate and thanked him for his dedication to TCWD and wished him well in his career
6 at IRWD.

7 **VISITOR COMMENTS**

8 There were no visitor comments.
9

10 **ORAL COMMUNICATION**

11 There were no oral comments.

12 **DIRECTOR'S COMMENTS**

13 Director Acosta had no comments.

14 Director Haselton had no comments.

15 Vice President Mandich provided a recap of the September 14, 2011 City of Rancho
16 Santa Margarita City Council (City) meeting

17 President Safranski also commented on the September 14, 2011 City meeting.
18

19 **REPORT FROM THE GENERAL MANAGER**

20 Mr. Chadd stated there is nothing that is not covered under the agenda.

21 **ITEMS TOO LATE TO BE AGENDIZED**

22 There were no items too late to be agendized.
23

24 **CONSENT CALENDAR**

25 President Safranski announced that all matters under the Consent Calendar would be
26 approved by one motion unless a Board Member requests a separate action on a specific item.
27

28 **ACTION CALENDAR**

1 President Safranski stated that the General Manager and staff had reviewed all matters
2 under the Action Calendar prior to the Board's consideration.

3 **MOTION:** A motion was made by Director Acosta and seconded by Director
4 Haselton to approve the Consent Calendar, Item Nos. 1A through 1E as
5 presented. The motion carried 4-0 with Director Disston absent.

6 **ADMINISTRATIVE MATTERS**

7
8 **ITEM NO. 1F DISCUSSION AND POSSIBLE ACTION RELATING TO TCWD**
9 **REVISED SALARY SCHEDULE**

10 Mr. Chadd advised TCWD last benchmarked Staff salaries during the 2008/2009 fiscal
11 year. Mr. Chadd stated if TCWD does not stay competitive as it relates to salaries, TCWD will
12 lose key staff and commented Mr. David Paulson is an example of this occurring.

13 Mr. Chadd advised that Mr. Michael Perea, Special Projects Manager, spent a significant
14 amount of time benchmarking all TCWD staff positions during the month of July and into
15 August, 2011. Mr. Chadd stated TCWD utilized benchmarking information from TCWD's
16 neighboring Districts, Irvine Ranch Water District (IRWD), El Toro Water District (ETWD),
17 Moulton Niguel Water District (MNWD), Santa Margarita Water District (SMWD), and South
18 Coast Water District (SCWD) and used the Median salary at Step 5.

19 President Safranski commented this is good to do as this is what the private sector does
20 every year.

21 Director Acosta commented that he liked the methodology as it rewards staff for
22 longevity with the District.

23 Mr. Chadd advised TCWD's salary schedule was posted on the website on August 31,
24 2011, which satisfies the latest Transparency Reporting recommendations. Mr. Chadd noted
25 there are two new positions on the Salary Schedule, Chief Plant Water Operator and Chief Plant
26 Wastewater Operator.

27 **MOTION:** A motion was made by Director Acosta and seconded by Vice President
28 Mandich to ratify the salary schedule, retro-active to July 1, 2011, as
submitted. The motion carried 4-0 with Director Disston absent.

1
2 **ENGINEERING MATTERS**

3 **ITEM NO. 1G STATUS UPDATE AND POSSIBLE ACTION RELATING TO**
4 **STORM DAMAGE**

5 Mr. Hector Ruiz, District Engineer, advised that FEMA requires the WSP-2 8-inch Creek
6 Crossing Repair to secure environmental permits. Mr. Ruiz stated the requests for permits and
7 accompanying documentation has been sent to the issuing agencies. Mr. Ruiz stated he
8 anticipates receiving a response from Fish and Game and the San Diego Regional Water Quality
9 Control Board within one month's time.

10 Mr. Ruiz advised the formal appeal letter to FEMA, relating to WSP-6, the Serrano Creek
11 Crossing Project denial, has been sent to FEMA with five technical memorandums. Mr. Ruiz
12 anticipates a response within sixty days. Mr. Ruiz stated while the review process is taking
13 place, he will be working on a scope of work as it relates to Requests for Proposal (RFP's) for
14 design and possible alternate routes related to a possible alternate route of the 16-inch line.

15 **ITEM NO. 1H STATUS UPDATE AND POSSIBLE ACTION RELATING TO**
16 **BAKER WATER TREATMENT PLANT**

17 Mr. Ruiz advised the design firm for the Baker Water Treatment Plant (BWTP) is
18 currently working on completing the 100 percent design proposal which includes Variance 4
19 scope of work and is projected to be complete in January or February 2012. Mr. Ruiz
20 recommends waiting until April or May of 2012 to hold a Special Board Workshop as project
21 bids are anticipated to be received by that time and the Board can review all materials to make an
22 informed decision relating to proceeding with the project.

23 Discussion occurred relating to possible environmental permits required for the project.
24 Mr. Chadd stated permit requirements are minimal due to the fact that the location of the BWTP
25 was previously a water treatment plant and only the permitted use is changing.

26 The information was received and filed. No action necessary.
27
28

1 **ITEM NO. 1I** **DISCUSSION AND POSSIBLE ACTION RELATING TO SADDLE**
2 **CREST HOMES**

3 Mr. Ruiz provided an aerial view of the proposed development along with a scope of
4 Work from PSOMAS for a Sub-Area Master Plan for Saddle Crest Homes. Mr. Ruiz discussed a
5 revised recommended action.

6
7 **MOTION:** A motion was made by Director Acosta and seconded by Vice President
8 Mandich to authorize the General Manager to enter into an agreement with
9 PSOMAS for the preparation of a Sub-Area Master Plan for the Saddle
10 Crest Home project in an amount not to exceed \$28,800 and at the
Developer's expense. The motion carried 3-0 with Director Haselton
abstaining and Director Disston absent.

11 **FINANCIAL MATTERS**

12
13 **ITEM NO. 1J** **DISCUSSION AND POSSIBLE ACTION RELATING TO**
14 **MET/MWDOC RATE INCREASE**

15 Mr. Chadd explained this is a continuation of the process from last year related to
16 Resolution No 2010-1142 which authorized TCWD to adjust the District's water commodity
17 rates based upon future changes in wholesale rates and charges from the Metropolitan Water
18 District (MET) and the Metropolitan Water District of Orange County (MWDOC). Mr. Chadd
19 reminded the Board this is considered a *Pass Through* rate adjustment which was approved for a
20 period not to exceed five-years.

21 President Safranski asked if TCWD knows the amount or percentage of proposed
22 increase. Mr. Chadd responded that preliminary information indicates somewhere between two
23 and six percent will be the cost to customers on the base rate though MET is raising costs to
24 TCWD by an average of seven and one-half percent effective January 1, 2012.

25 Discussion occurred relating to the required timeline for mailing the notice of water rate
26 adjustment to customers. Discussed the option of mailing notice of water rate adjustments as a
27 separate District wide mailing to customers or including as a billing insert to each customer with
28 their monthly utility bill.

1 Mr. Rob Anslow, TCWD Legal Counsel, reviewed the requirements necessary to set the
2 rate as described in Resolution 2010-1142 attachment "B" as the formula adopted at the time of
3 the December 15, 2010 Public Hearing.

4
5 **MOTION:** A motion was made by Director Acosta and seconded by Vice President
6 Mandich to mail the notice of water rate adjustment to customers as a
7 billing insert and to hold a Special Board meeting on October 11, 2011 at
8 6:00p.m. in order to approve the formula and Resolution information prior
to the Regular October Board meeting. The motion carried 4-0 with
Director Disston absent.

9 **ITEM NO. 1K DISCUSSION AND POSSIBLE ACTION RELATING TO**
10 **ADJUSTMENT TO SEWER FLAT FEES**

11 Mr. Chadd advised this information is still in the preliminary stages, however; he would
12 like this topic to remain on the Board and Committee agendas for discussion purposes.

13 Mr. Chadd advised staff will be performing a cost analysis by separating out charges for
14 sewage collection and disposal as it relates to the two separate treatment facilities. Mr. Chadd
15 advised this analysis could impact flat fees in either or both zones. Mr. Chadd advised TCWD's
16 current sewer flat fee, across the district, is \$19.80 per month and has not increased in 20 years.
17 Mr. Chadd reminded the Board the canyon community does not pay sewer flat fees as they are
18 on septic. Mr. Chadd stated the proposed sewer flat fees may be applied as a multi-year
19 adjustment. Mr. Chadd recommends completing the fee analysis prior to any new developments
20 coming on line within the district.

21 Mr. Anslow provided legal information relating to Proposition 218 requirements. Mr.
22 Anslow also recapped current litigation recommending referring to this fee as a sewer service fee
23 instead of flat fee.

24 Discussion occurred relating to the onerous fines recently imposed by Regional Water
25 Quality Control Boards and the trend in setting up sewer reserve funds for potential fines.

26
27 The Board received and filed the information. No action taken.
28

1 **ITEM NO. 1L** **DISCUSSION AND POSSIBLE ACTION RELATING TO NOTICE**
2 **OF PREPARATION OF INTENT TO PREPARE DRAFT**
3 **ENVIRONMENTAL IMPACT REPORT #611 RELATING TO**
4 **SADDLE CREST HOMES**

5 Mr. Ruiz advised the San Diego Regional Water Quality Control Board has approved a
6 fine to SMWD in the amount of \$890,000. Mr. Ruiz advised a percentage of the fine will go to
7 SMWD for the purpose of research and study on how to prevent future spills. Mr. Ruiz stated a
8 portion of the fine will go to the Audubon Society. Mr. Ruiz has spoken with SMWD's
9 Engineer and requested detailed information relating to TCWD's portion of the fine. Mr. Ruiz
10 stated at this point the range may be from \$60,000 to \$120,000.

11 Mr. Chadd noted the district would have the option to pay this fine from the Sewer Rate
12 Stabilization Fund.

13 The Board received and filed the information. No action taken.

14 **LEGISLATIVE MATTERS**

15 **ITEM NO. 1M** **DISCUSSION AND POSSIBLE ACTION RELATING TO LOCAL**
16 **GOVERNMENTAL AND LEGISLATIVE INFORMATIONAL**
17 **ITEMS**

18 Mr. Chadd advised he attended the MWDOC Managers Meeting on September 22, 2011 and
19 complimented Director Brett Barbre for his representation of benefit matters, related to MET,
20 which were discussed.

21 The Board received and filed the information. No action taken.

22 **END ACTION CALENDAR**

23 **OTHER MATTERS**

24 Mr. Chadd discussed information relating to the level of water currently in Dove Lake.

25 Mr. Chadd provided information including; ACWA Committee application information,
26 sponsorship in the amount of \$30.00 for Trabuco Elementary PTA, a negative declaration
27
28

1 concerning SMWD, SOCWA's most recent financial audit, and a fire drill which occurred
2 during a recent MWDOC meeting.

3 Mr. Chadd stated he anticipates bringing TCWD's 2010-2011 Fiscal Year Audit to the
4 Board in November or December, 2011.

5 Mr. Chadd advised that TCWD received a public records request from the Orange
6 County Register, as did most public agencies in the area. Mr. Chadd stated the request is
7 overbroad and General Managers are collectively attempting to clarify the request. Mr. Chadd
8 recommends providing the information by fiscal year for contracts which were over \$10,000 and
9 were not required to go out to bid. Mr. Chadd stated he will have the Board of Directors copied
10 on the response.
11

12 **ADDITIONAL DIRECTORS' COMMENTS**

13
14 There were no additional Director's comments

15 **ADDITIONAL GENERAL MANAGER COMMENTS**

16 Mr. Chadd wished happy birthday to two of the Directors celebrating birthdays during the
17 month of October.

18 **ADJOURNMENT**

19
20 At 8:22 p.m. President Safranski adjourned the September 21, 2011 Regular Board
21 Meeting.

22 Respectfully Submitted,

23
24
25 _____
26 Teresa Teichman
27 Secretary to the Board of Directors
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